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16 June 1958

MEMORANDUM FOR: Secretariat, Economic Intelligence Committee
FROM : Secretary, EIC Subcommittee on Agriculture
SUBJECT : EIC Subcommittee on Agriculture Annual Report for 1957-58.

A. Activities of the Subcommittee During Fiscal Year.

1. Review of the Intelligence Product in the Subcommittees' Field of Competence.

During 1957-58 the Subcommittee spent a considerable amount of time in coordinating the forthcoming EIC study, EIC-P-12, "Policies, Performance and Prospects of Soviet Agriculture". All of the preliminary draft sections of the paper have been reviewed by the Subcommittee. In addition the EIC secretariat reviewed the paper. The reviewers' suggestions are now being incorporated in the paper, and the paper is being brought up to date. The revised version will be submitted to the Subcommittee.

The Subcommittee reviewed IAC-D-50/10.2, 20 August 1957, "Priority National Economic Intelligence Objectives"; IAC-D-57/63, 17 May 1957, Post Mortem on NIE 63.2-57; and IAC-D-100/37, 17 May 1957, Validity Study of NIE 63-56.

On 15 October 1957, the chairman of the Agricultural Subcommittee briefed the EIC on the Subcommittee's activities.

2. Research and Collection Deficiencies
See attachment A

At the 15 October 1957 meeting of the EIC, attended by the Chairman of the Agricultural Subcommittee, the Chairman of the EIC recommended that the Subcommittee survey its "Priority Deficiencies of Research" after the completion of EIC P-12, "Policies, Performance and Prospects of Soviet Agriculture". He recommended that the Subcommittee reformulate the PDR on the basis of current priority needs which should be specific, not general, in nature.

It is expected that the Subcommittee will review its "Priority Deficiencies of Research", as soon as the Subcommittee has approved the revised and updated version of EIC P-12.

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The forwarding to the Subcommittee of appropriate NIE Post Mortems and Validity Studies is a useful service and should be continued.

3. Review of Substantive Papers

The Subcommittee reviewed the following draft sections of the forthcoming EIC study, "Policies, Performance and Prospects of Soviet Agriculture".

<u>Title</u>	<u>Agency Preparing</u>
Milk Production in the USSR	CIA
Mechanization	CIA
Harvesting	CIA
Fish Events	CIA
Sugar Events	CIA
Fats and Oils Events	CIA
Fats and Oils Methodology	CIA
Analysis of Khrushchev's New Livestock Goals	CIA
Irrigation	CIA
Vegetable Events	CIA
Vegetable Methodology	CIA
Consumption of Petroleum Products by Soviet Agriculture	CIA
Cotton Events	CIA
Flax Events	CIA
Grain Methodology (Revised)	CIA
Potato Methodology (Revised)	CIA
Soviet Agricultural Research (Revised)	CIA
The Corn Program	CIA
Corn Production Possibilities in the Soviet Union	CIA
Summary and Conclusions	CIA
Capital Investments in Soviet Agriculture	CIA
Index of Agricultural Output 1938-1956	CIA
Gaps in Intelligence	CIA

4. Review of Proposals for External Research
None

5. Maintenance of Agreed Basic Statistics

The draft sections of EIC P-12 reviewed by the Subcommittee contain statistical series on the production and utilization of agricultural commodities, acreage, machinery, investment, agricultural output, petroleum consumption, etc. Although agreement has not yet been reached on all statistics it is expected that the revised version of the paper will contain agreed statistics on all series, or elaborations and explanations of the alternatives.

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6. Projects Undertaken at the Request of the EIC or Proposed to the EIC.

Project EIC-P-12 was the only one requested by the EIC for this period.

7. Intelligence Research Techniques.

Various informal discussions of research techniques were held by Subcommittee members in connection with the coordination of the draft sections of EIC-P-12.

8. Special Coordinating Functions of the Subcommittee.

The pooling of information on Soviet crop production by specialists from the Departments of State and Agriculture, and from CIA, was continued during the past year. This cooperation resulted in the adoption of certain agreed estimates.

9. Evaluation of the Role of the Subcommittee.

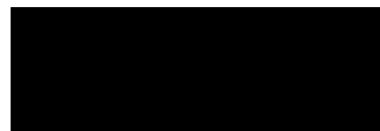
Most members of the Subcommittee feel that the Subcommittee has been effective as a medium for interagency review and coordination, and as a mechanism for improving economic intelligence research within its field of interest. However, the Department of State member has raised a point on "...inadequate interagency consultations..." and "...would like...to stress the need for interagency discussion and collaboration".

B. Future Program of the Subcommittee.

No changes in the structure or in the functioning of the Subcommittee on Agriculture are contemplated for 1958-59.

The Subcommittee should continue to identify gaps in research and collection, approve external research projects, serve as a coordinating body for all agencies and departments having responsibilities in food and agriculture, and serve as a clearing house for information and data on western countries which could be useful in appraising developments in the Sino-Soviet bloc. The Subcommittee should also be alert to significant developments, activities and situations in the field of food and agriculture throughout the world which could adversely affect the security of the United States.

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CHAIRMAN

EIC Subcommittee on Agriculture

ATTACHMENT:

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Attachment A.

PROGRESS REPORT ON PRIORITY DEFICIENCIES OF RESEARCH
By EIC Subcommittee on Agriculture

<u>Gaps in Intelligence</u>	<u>Progress to Date</u>
1. Sino-Soviet Bloc production and utilization balances of various agricultural commodities, including information of trade, consumption patterns and stockpiling.	EIC-P-12 is expected to make a significant contribution to filling gap (1) for the USSR, and to shed some light on (2) and (3) for the USSR.
2. Commercial and strategic reserves of selected products of agriculture and forestry.	In connection with negotiations on exchanges of agricultural delegations, the Department of Agriculture has submitted, and expects to re-submit, to the Soviets a detailed list of questions concerning agricultural production, definitions, etc. The IAC Ad Hoc Committee on exchanges has consulted with the Chairman of the Agricultural Subcommittee on the lack of coverage of these questions in Soviet handbooks available in the U.S. The CIA, Department of Agriculture, State Department members of the Agricultural Subcommittee have briefed members of the U.S. delegation of Agricultural Economists, scheduled to go to the USSR in June 1958.
3. Definitions of the concepts involved, necessary for the analysis of data released by Bloc countries. For example, Soviet "mill" and "meat", and Chinese "double-cropping" statistics remain undefined.	
4. In the analysis of the prospects of Bloc agriculture the lack of detailed plan information constitutes a significant gap in intelligence. For example, Soviet published plans for the agricultural sector appear to be largely exhortatory in nature rather than expressing a goal that fits actual possibilities of attainment.	
5. The effectiveness of the Chinese Communist regime's efforts to increase agricultural production (referred to in IAC-D-57/60).	CIA/RR 103, "Agricultural Investment and Improvements in Communist China 1953-62, published 6 September 1957, has contributed to filling this gap.

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